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Country programme outline for Bahrain (2003-2007)*

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* The collection and analysis of current data required to present the Executive Board with the most up-to-date information has delayed submission of the present document.

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I. Situation analysis

1. Preparations for the country programme outline (CPO) started early in 2002 when a national team produced a paper highlighting the development challenges facing Bahrain. In view of the fact that Bahrain has no development plan (http://www.undp.org.bh/cca.htm), this background paper, together with the results of consultations with the Government, non-governmental organizations (NGOs), donors, United Nations agencies and the Sub-Regional Resource Facility for the Arab States (SURF-AS) provided the basis for this CPO.

2. Bahrain is composed of a group of islands with a total area of 700 sq km and a total population of 645,000. Per capita gross national product (GNP) was estimated at about $11,000 in 2000. Bahrainis make up 63 per cent of the total population with the rest made up largely of foreign labour. The country is a net contributor country (NCC), which means that the allocation of UNDP core resources to Bahrain is nil. Furthermore, International Financing Institutions (IFIs) such as the World Bank as well as the European Union have no programmes in the country. So far, government cost-sharing has been the source of funding for UNDP supported activities; a situation that limits the number of external partners but ensures national ownership.

3. Bahrain is undergoing political changes that are having a profound impact. On 14 February 2002, Bahrain was declared a constitutional monarchy with an elected parliament, an appointed council and an independent judiciary. The first municipal elections in 29 years were held in May 2002 and the parliamentary election is due in October 2002. The increasing establishment of NGOs (now over 250), including a human rights NGO, comes as part of the reforms. In addition, the state security law was abolished and political prisoners were released.

4. In October 2001 the Supreme Council for Women was established, with a mandate to improve gender equality and to ensure that women are given a greater opportunity in public life. In February 2002, Bahrain joined the 1979 United Nations Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW). Unfortunately, in the recent municipal elections although 10 per cent of the candidates were women, none succeeded in getting elected. The Government expressed concern about this as it underlines the need for waging an effective campaign to empower women.

5. Due to rapid depletion, it has been estimated that the country may exhaust its natural resource of oil in the near future unless new discoveries are made. Currently, two-thirds of the gross domestic product (GDP) comes from the tertiary sector, while oil contributes 18 per cent of GDP and accounts for two-thirds of the Government's revenue. The country remains the largest offshore banking center in the region, while tourism is gaining in importance. The challenge, in view of the 2.5 per cent annual population growth, is how to diversify and expand the economy in order to sustain the welfare standard. Related concerns are how to advance the role of the private sector to become an agent of a knowledge-based, growth-driven economy; and how to continue focusing on integration into international markets.

6. Bahrain is a welfare-oriented state with a large proportion of the population benefiting from government subsidies. Education and health services are free to all people. The result is a high level on the human development index (HDI), 0.820 in 2001. Although this social policy has a positive impact on the welfare of needy families, its sustainability is uncertain. The Government's endeavour is to move from "a charity-oriented" to "a social-development" strategy that empowers people and promotes self-employment and entrepreneurship.

7. While 60 per cent of the labour force is expatriate, double digit unemployment among Bahrainis is a cause for national concern. This situation is due, partially, to the mismatch between the demand for and supply of skills. Both education and training systems need realignment. This, in turn, calls for an up-to-date labour information management system to guide national decisions.

8. Bahrain has limited natural resources that are increasingly strained by high population growth, urbanization, industrialization and salinity. Presently half of the water consumed is desalinated. Additionally, air and sea pollution, landfill of coastal areas, over-fishing and the absence of effective waste management are negative factors affecting the island's inhabitants.

II. Past cooperation and lessons learned

9. The first country cooperation framework (CCF) of 1998-2001, was extended an extra year into 2002 to "enable greater and fuller implementation of the CCF and timely preparation of the new CCF, given the new reforms being announced in the country." The mid-term review of the CCF, held in June 2000, highlighted key results: (a) the success of a micro finance programme in targeting needy families, with 73 per cent of the total beneficiaries being

women; (b) due to sustainable human development (SHD) advocacy, "a sustainable development" master programme was established at the Bahrain University, "primary school curricula" are under revision, "an urban monitoring system" is in place and the first national human development report (NHDR) was published; and (c) upstream policy dialogue on environment, labour market and social protection are showing an impact on policy formulation.

10. The review revealed that: (a) the CCF should be more focused and less ambitious in the light of the funding arrangement; (b) funding should be discussed on a programme rather than on a project-by-project basis. This issue is presently under consideration; (c) more coordination among partners should take place. A programme coordination committee is now being established; (d) a cost-recovery scheme should be implemented. A mechanism is currently in effect; and (e) the country office capacity should be enhanced in order to become a knowledge-based office (See http://www.undp.org.bh/ccf1.htm).

III .Proposed programme

Governance

11. In response to the *social and political reforms*, UNDP will coordinate efforts to build national capacities and initiate policy dialogue that facilitates the implementation of the democratic process. Specifically, women will be empowered to overcome constraints that prevent them from realizing their potential. UNDP will coordinate, in collaboration with the Supreme Council for Women, the national NGOs and the United Nations Development Fund for Women (UNIFEM), activities to help achieve this goal. NGOs should also be strengthened to implement their mandates of boosting people participation in their communities through local and national elections and of promoting gender equality in practice. The experience of the Center for Arab Women for Training and Research (CAWTAR) should be used.

12. On the *human rights* aspect, a cornerstone of the reform programme, UNDP, jointly with the United Nations High Commission for Human Rights, the national human rights NGO and the human rights committee in the Parliament will initiate an advocacy campaign to ensure that all residents in Bahrain are exercising their human and basic rights freely. Local media is a key partner. The strategies to achieve impact in the areas of *women empowerment* and promotion of *human rights* include:

(a) Assisting and strengthening the capacities of the institutions, in particular the Supreme Council for Women, in order to create an environment conducive to the promotion of women;

(b) Assisting the Government in achieving its full potential as the main vehicle for implementing the new political and social reforms stated in the constitution. This includes working with local and national legislations;

(c) Advocating human rights concepts as part of everyday practice jointly with NGOs and United Nations organizations.

13. Consistent with the political change, there should be a change in the economic direction which highlights new means of generating investments, new markets to absorb the growing workforce and also helps the growth of the welfare standard. The private sector will be called upon to work alongside the Government to transform the oil dependent economy into a knowledge-based and diversified one. The UNDP approach includes:

(a) Formulating, together with the Government and the private sector, an economic vision defining the respective roles of the public and private sectors. In addition, UNDP will assist the Government in seizing the opportunities offered by the World Trade Organization (WTO) and in fulfilling the country's obligations towards WTO membership. The United Nations Conference on Trade and Development (UNCTAD), the Ministry of Finance and National Economy, the Economic Development Board and the Bahraini Chamber of Industry and Commerce are key partners in this enterprise;

(b) Establishing an economic monitoring system by formulating basic indicators to monitor economic performance, which in turn would provide authorities with relevant information for making strategic decisions

Sustainable development

14. This activity focuses on: *social development and sustainable livelihood, human resources development, and environmental sustainability*. Bahrain has no abject poverty, although, a significant portion of Bahrainis are on state provided subsidies. Given the uncertainty of this as economically viable in the long term, a different approach to manage the social protection network becomes mandatory. It is to move away from "a charity approach" to "a social development" one. UNDP will seek to reduce the number of "charity" dependents by working with the

NGOs, the Government and local institutions in continuing the present micro finance scheme, while at the same time looking to move it up to another level. The current scheme has been assessed to be successful and viable (See http://www.undp.org.bh/pdf/BAH97003.pdf). Social protection will remain part of UNDP supported programme but with a focus on self-employment and entrepreneurship. Partners in modernizing the current welfare system and its approach include the International Labour Organization (ILO), NGOs and the Government. The strategies include:

(a) Articulating a Social Development Strategy that is based on the concept of empowering individuals by providing them with training and financial credits to fit the labour market and generate income;

(b) Building on the success of the micro finance scheme in promoting self-employment and entrepreneurship.

15. Additionally, under the *social development* sub-thematic area, UNDP jointly with key partners, such as the Statistical Authority and the Bahrain Research Center, will coordinate the process of generating and analyzing relevant data on education, health, housing and population to be used for the preparation of NHDRs, and also for a policy-dialogue oriented document to further promote SHD as a concept and in practice. Likewise, UNDP will coordinate the national effort to generate missing information on the Millennium Development Goals (MDGs) related matters in order to monitor progress and prepare MDG reports.

16. On *human resources development*, employment will remain a national development priority. In addition to the employment opportunities created under the micro finance scheme, UNDP will continue strengthening national institutions that are responsible for employment related issues and for generating, through the Labour Information Management System (LIMS), information that enables decision makers to manage human resources more effectively. UNDP, jointly with the United Nations Educational, Scientific and Cultural Organization (UNESCO), will continue supporting national authorities in their efforts to realign education and training systems to meet market requirements of skills. Technical cooperation in this area should benefit from the regional programme's new initiative on intellectual capital development and information technology. The approach will include:

(a) Continuing support of LIMS, initiated under the current CCF, in order to assist in employment related decisions;

(b) Building on the achievements of the ongoing basic education project "Design and Technology" to continue supporting the Ministry of Education and training institutions in their efforts to improve the content and quality of school curricula and training syllabus;

(c) Strengthening the capacities of the national NGOs to enable them to participate effectively in planning and implementing action plans related to job creation and employment. In all of these efforts, ILO and the United Nations Economic and Social Commission for Western Asia (ESCWA) will be partners.

17. On the *environment sustainability*, as the population growth shows no signs of slowing, the depletion of natural resources quickens. There is a real need for an effective land and waste management strategy to be produced, enabling agricultural land to survive the rapid urbanization and salinity. UNDP, together with the Government, the Food and Agriculture Organization (FAO), the United Nations Environment Programme (UNEP) and the UNDP Drylands Development Center, will implement actions that promote and secure the environment's preservation and resources. The following strategies seek to achieve these goals:

(a) Formulating a National Environmental Strategy (NES) and implementing an Action Plan to prevent further damage to the environment;

(b) Exploring and promoting, together with the Government, NGOs, and UNEP, an effective waste management solution;

(c) Advocating an effective strategy for the protection and preservation of agriculture, marine life and fisheries;

(d) Establishing a database for monitoring the environment regularly and preventing further degradation. The University of Bahrain and UNESCO will be partners.

IV. Programme management, monitoring and evaluation

18. The strategic results framework (SRF) and results-oriented annual report (ROAR) reports will document results achieved by using a set of indicators that allow progress to be clearly evaluated. In addition, project reviews are tools to monitor the progress made, and the adjustments needed, in order to achieve the desired impact. Furthermore, the Programme Coordination Committee, a coordinating body, will also exercise a monitoring and

evaluation function. The Committee will be headed by the coordinating ministry and will include, as members, key representatives from the Government, NGOs and UNDP.

19. National execution will be the modality used to implement the country programme while the experience of United Nations organizations and ESCWA will be tapped as appropriate. The SURF-AS is expected to support the country office and provide technical advice in its areas of competencies. The involvement of NGOs in the implementation of the country programme will continue. Furthermore, the country office has strengthened its capacity through recruiting qualified nationals capable of effectively managing the country programme, including the function of monitoring and evaluation.

20. On funding, it is proposed to approach the private sector in an attempt to mobilize additional resources for the country programme. Similar efforts will be made in respect of selected donors and IFIs who might be interested in supporting certain activities in Bahrain.

Annex

Results and resources framework for Bahrain (2003-2007)

Strategic areas of support	*Intended Outcomes*	*Indicators of outcome or purpose*	*Outputs, including key output indicators, where needed*	*Resources by strategic areas of support (in thousands of Unites States dollars)*
Objective 1. Governance : Enabling environment for sustainable human development				
Management of globalization to support the poor.	Policies more supportive of external trade and direct foreign investment.	**Indicator 1.** Existence of formal pre-conference technical position papers which serve as the basis of the Government's negotiating strategy in MTNs **Baseline** 2000= no position papers, target 2003=5 position papers on key sectors. **Indicator 2.** Segregated data showing private sector's economic performance in different sectors. **Baseline** 2002= no clear data break down of public vs. private sector's share of economic performance, 2006 target= proper data separation of economic sector annual growth.	**Output 1.** Export strategy and economic adjustments prepared with enhanced national capacities. **Output 2.** Government position papers on WTO agreements with active private sector's involvement prepared. **Output 3.** Strategic action paper on private sector's role in advancing economic growth developed. **Output 4.** Economic monitoring indicators developed illustrating private sector's performance in a systematic fashion.	Government cost-sharing 1,500 Other 0 Subtotal 1,500
Public awareness and policy dialogue on sustainable human development.	Increased use by decision makers of sustainable human development concepts in policy formulation and implementation.	**Indicator 1.** Advocacy and media coverage of the SHD concepts including other mainstream issues such as promoting the role of women, youth, human rights and the role of civil society in the development process **Baseline** 2001= 2 articles, target 2007= 20 articles, interviews, roundtables and seminars.	**Output 1.** 3-5 seminars conducted by NGOs on the empowerment of civil society and women in the development process. **Output 2.** 5 initiatives developed on constitutional guarantees of human rights for citizens, using programmes and workshops incorporating parliamentarians, NGOs and the media. **Output 3.** National capacities developed for implementing administrative reforms in key entities. **Output 4.** SHD data &information for the production of NHDRs and MDGRs generated.	Government cost-sharing 1,500 Other 0 Subtotal 1,500

Strategic areas of support	*Intended Outcomes*	*Indicators of outcome or purpose*	*Outputs, including key output indicators, where needed*	*Resources by strategic areas of support (in thousands of United States dollars)*
Objective 2. Poverty reduction: Economic and social policies and strategies focused on the reduction of poverty				
National policy, legal and regulatory framework for environmentally sustainable development.	Systems of social protection reformed/established to target the most vulnerable groups in society.	**Indicator 1.** Increase in the number and per centage of women using micro finance. Baseline 2002=2000, target 2007= 2500. **Indicator 2.** National Strategy for Social Development exhibits innovative approaches to the needy and poor. Baseline 2002= no proper assessments of programmes, target 2007= continuous assessments and improvement of social policies. **Indicator 3.** Creation of enabling environment for adoption of a comprehensive employment policy. Baseline 2001= draft national policy, 2006 target= ineffective policies and market segmentation removed.	**Output 1.** Social development programmes re-designed and with active participation of NGOs. **Output 2.** Capacities for strategic social planning methods improved and comprehensive social information systems established. **Output 3.** Improved labour development strategy formulated to meet the labour market need for high value added jobs.	Government cost-sharing 3,000 Other 500 Subtotal 3,500
Objective 3. Environment: Environmentally sustainable development to reduce human poverty				
Access to basic social services and systems for risk management.	A comprehensive approach to environmentally sustainable development integrated in national development planning and linked to poverty reduction.	**Indicator 1.**. Adoption by the Government of a National Strategy for Environment & Sustainable Development with national implementation targets. **Baseline** 2001 = no comprehensive Sectoral reviews, 2005 target= full adoption and implementation of NES. **Indicator 2.**. Sustainable development programmes/plans incorporating efficient use of natural resources and sustainable development approaches e.g. in agriculture and water. **Baseline** 2001 = collection of data, 2007 target= efficient and controlled utilization of depletable resources.	**Output 1.** National participatory approach for Environmental and Sustainable Development mobilized & Sectoral National Committees established. **Output 2.** Capacities for implementation of NES including identification of environmental constraints and opportunities strengthened. **Output 3.** Tools for NES at central and governorate levels for implementation, monitoring and evaluation developed. **Output 4.** National conservation measures for sustainable use of natural resources and agricultural development, taking into account population growth, established.	Government cost-sharing 3,000 Other 500 Subtotal 3,500

Strategic areas of support	*Intended Outcomes*	*Indicators of outcome or purpose*	*Outputs, including key output indicators, where needed*	*Resources by strategic areas of support (in thousands of United States dollars)*
	Objective 4. Gender: Advancement in the status of women and gender equality			
Development and implementation of national action plans for the advancement of women and the gender dimensions of all conference commitments.	National Action Plan for the Advancement of Women, jointly adopted, implemented and monitored by the government, legislature and civil society, according to the time bound goals	**Indicator** . National Action Plan for Women formally adopted and financed with monitoring mechanisms for regular assessments in place **Baseline** 2001= segmented reports with no strategic vision for role of women, 2007 target= high level pro-women policies in action and women visible in key positions.	**Output 1.** Capacities of the Supreme Council for Women and grassroots women NGO's including the newly established Women's Union, improved. **Output 2.** Key gender issues for integration into national development strategies identified in partnership with all women NGOs. **Output 3.** National Action Plan for the Advancement of Women incorporating budgetary, legal and policy instruments with clear targets and bench marks ratified.	Government cost-sharing 1,000 Other 0 Subtotal 1,000
			Totals ***Government cost-sharing***	***10,000***
			Other	***1,000***
			Overall	***11,000***